



Protecting Montana's consumers through insurance and securities regulation

Insure Montana Appropriation – HB 258
Sponsored by Rep. Bill McChesney
at the request of the State Auditor's Office

SENATE FINANCE & CLAIMS

Exhibit No. 7

Date 4-7-09

Bill No. HB 258

ABOUT HOUSE BILL 258

- Insure Montana is administered by the State Auditor's office and is designed to assist small businesses with the cost of health insurance. The program uses money collected from the tobacco tax to provide tax credits, premium assistance, and a purchasing pool to help small businesses cover their employees.
- HB 258 was amended to serve those on the Insure Montana waiting list with **\$3 million in special revenue reversion funds** annually from the tobacco tax. The reversion funds available come from unused appropriations **that revert back into the special revenue account**. This amount will allow the program to serve most of the small businesses on the waiting list.
- Small-businesses are the backbone of Montana's economy, and there are hundreds of small businesses across Montana waiting to participate in the Insure Montana program. That's why supporting legislation that would advance the Insure Montana program and make health care more affordable for more families and small businesses.
- House Bill 258 by Rep. Bill McChesney (D-Miles City) would help most of the nearly 600 small businesses in Montana who are currently on the waiting list to join the Insure Montana program.
- Small businesses in the program will save an average of \$4,800 in health insurance costs over the next two years. An employee who works for one of these businesses would save more than \$3,000 on average.

The scaled-back appropriation request will:

- Serve most of the small businesses on the waiting list.
- Keep premium assistance caps at 2007 levels.
- Add 65 businesses from the tax credit program waiting list.
- Cost a total of \$3 million annually and use no general fund dollars.

ABOUT INSURE MONTANA

- Insure Montana began in 2005 as a joint initiative of the Montana Legislature, the Governor and State Auditor. In fact, Insure Montana was passed with overwhelming bipartisan support from both legislative chambers - the House voted 80-17 and the Senate voted 39-11.

-over-

-Insure Montana continued-

- Since that historic vote in 2005, Insure Montana has become an award winning, nationally recognized program that has provided health insurance to more than 1,400 small businesses, resulting in coverage of nearly 8,000 employees and dependents who were previously uninsured or at risk of losing coverage.
- Insure Montana is administered by the State Auditor's office and is designed to assist small businesses with the cost of health insurance. The program uses tobacco tax revenue to provide tax credits, premium assistance, and a purchasing pool to help small businesses cover their employees.
- Small businesses with 2-9 employees can participate.
- The **small business tax credits** help small businesses who provide affordable health insurance to their employees, dependents, and spouses. The tax credits are issued to any small employer who is sponsoring a group health plan issued by any insurer authorized to do business in this state.
- For businesses that were previously unable to afford health insurance for their employees, Insure Montana provides health insurance coverage through a small business purchasing pool.
- The **purchasing pool** lowers costs for businesses by allowing employers to join together to negotiate lower premiums. Pool money can be distributed to previously uninsured small employer groups who participate in either a fully insured qualified association plan or the Insure Montana purchasing pool, which is also fully insured. Pool money is distributed in the form of premium assistance to employees (based on a sliding income scale) and premium incentive payments (25% of the premium) to the small employer to help pay the employer's share of the premium.
- Businesses and employees who want to join **qualified association plans** are also eligible to receive incentives and assistance payments.